



Dave Yost • Auditor of State

**OHIO LOTTERY COMMISSION
CUYAHOGA COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Lottery Commission
Cuyahoga County
615 West Superior Avenue
Cleveland, Ohio 44113

We have performed the procedures enumerated below, which were agreed to by the Ohio Lottery Commission (the Commission) and the other member lotteries in the states of California, Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Texas, Virginia and Washington (referred to as the "Member Lotteries") who operate Mega Millions, solely to assist the Commission and Member Lotteries with respect to the evaluation of the following financial information associated with Mega Millions: The Commission sales and prize expense for the period April 1, 2017 through March 31, 2018. The sufficiency of these procedures is solely the responsibility of those parties specified in this report.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Our procedures were as follows:

- a) We obtained from the Commission the "Draw Activity" and "Fixed Prize Analysis," for the period April 1, 2017 through March 31, 2018 (attached as Exhibit I and Exhibit II, respectively). We proved their mathematical accuracy with no exceptions noted.
- b) We haphazardly selected the following five (5) drawings from the period April 1, 2017 to March 31, 2018 for testing and performed procedures "c", "d", and "e" below:

May 30, 2017
July 11, 2017
September 1, 2017
November 28, 2017
March 20, 2018

- c) For each draw date selected in step "b" above, we compared the total amount of sales as shown on the daily sales report produced by the Commission's gaming system and the total amount of sales shown on the related daily sales report produced by Internal Control System ("ICS"), with the balance listed in the "sales" column for the respective draw date on the "Draw Activity" report attached as Exhibit I and found them to be in agreement.

- d) We calculated the total dollar amount of fixed prizes for the draw dates selected in step "b" above, based on the total number of winners from the Commission's gaming system for each prize level and the prize structure of the Mega Millions fixed prizes (as defined in the official game rules). We compared the calculated expense with the amount listed in the "Actual Fixed Prizes" column for the respective draw date on the "Draw Activity" report attached as Exhibit I and found them to be in agreement.
- e) For each draw date selected in step "b" above, we compared the amount of sales, actual fixed prizes, and share of fixed prizes shown on the "Draw Activity" report attached as Exhibit I to the amounts shown on the applicable Mega Millions Prize Settlement Reports and found them to be in agreement.
- f) For the period identified in step "a" above, we haphazardly selected two months (April 2017 and June 2017) and obtained the "Expired Prize Settlement Report" distributed by the Virginia Lottery. For the two months selected, we obtained from the Commission Internal Control System (ICS) the actual fixed prizes awarded, and the prizes unclaimed. We compared the ICS data back to the data reported from the Virginia Lottery for each draw of the subject months and found them to be in agreement.
- g) We compared the amounts shown as the total of the actual fixed prizes and the total of the share of fixed prizes on the "Draw Activity" report attached as Exhibit I to the applicable amounts shown on the "Fixed Prize Analysis" report attached as Exhibit II and found them to be in agreement.
- h) For the amounts listed in the "Cash Option Amount" column of the "Draw Activity" report attached as Exhibit I, we obtained and compared the amount to the Commission's cash disbursement subsidiary records which summarize the funds disbursed to the prize winner and found them to be in agreement.
- i) We inspected subsidiary bank and investment records to determine whether any purchases of investments associated with the jackpot prizes were made and found none.
- j) We compared the total of the period transfers from the Commission to/from the Virginia Lottery for settlement of the fixed prize liability as shown in the Commission's cash disbursement/cash receipt subsidiary records to the amount listed in the "Qtrly/Yrly Settlement Transfers In (Out)" column on the "Fixed Prize Analysis" report attached as Exhibit II and found them to be in agreement.
- k) We compared the balance listed as the Commission's receivable as of March 31, 2018 for the fixed prizes as shown on the "Fixed Prize Analysis" report attached as Exhibit II to the Commission's financial accounting records and to the Mega Millions Prize Settlement Report as of March 31, 2018 and found them to be in agreement.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Commission sales and prize expenses for the period April 1, 2017 through March 31, 2018. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is for the evaluation of the financial information enumerated in our procedures above and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

September 5, 2018

Exhibit I – Draw Activity
Exhibit II – Fixed Prize Analysis

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| | Draw Date | Sales | Actual FixedPrizes | Share of FixedPrizes | AmountAnnuitized JP | AmountCash Options |
|------------|-----------|------------|--------------------|----------------------|---------------------|--------------------|
| | 4/04/2017 | 580,119 | 81,905 | 72,747 | | |
| | 4/07/2017 | 595,134 | 71,043 | 72,692 | | |
| | 4/11/2017 | 557,572 | 64,796 | 68,414 | | |
| | 4/14/2017 | 601,329 | 70,105 | 161,012 | | |
| | 4/18/2017 | 552,582 | 70,139 | 154,628 | | |
| | 4/21/2017 | 612,697 | 85,932 | 78,268 | | |
| | 4/25/2017 | 588,212 | 68,926 | 162,239 | | |
| CA | 4/28/2017 | 637,694 | 1,086,237 | 183,424 | | |
| | 5/02/2017 | 534,115 | 59,971 | 147,792 | | |
| | 5/05/2017 | 573,912 | 75,223 | 169,897 | | |
| | 5/09/2017 | 540,606 | 59,211 | 150,781 | | |
| | 5/12/2017 | 587,956 | 71,336 | 68,744 | | |
| | 5/16/2017 | 542,278 | 58,624 | 62,761 | | |
| | 5/19/2017 | 584,804 | 91,346 | 440,065 | | |
| | 5/23/2017 | 559,525 | 68,571 | 67,935 | | |
| | 5/26/2017 | 614,733 | 72,363 | 246,453 | | |
| | 5/30/2017 | 538,435 | 67,722 | 65,904 | | |
| | 6/02/2017 | 650,914 | 75,874 | 75,843 | | |
| | 6/06/2017 | 627,383 | 72,707 | 77,807 | | |
| | 6/09/2017 | 695,434 | 89,180 | 95,409 | | |
| | 6/13/2017 | 761,475 | 85,068 | 88,045 | | |
| | 6/16/2017 | 806,241 | 1,112,273 | 273,160 | | |
| | 6/20/2017 | 791,150 | 88,559 | 175,863 | | |
| | 6/23/2017 | 837,605 | 105,847 | 178,733 | | |
| | 6/27/2017 | 843,082 | 106,399 | 268,689 | | |
| | 6/30/2017 | 912,267 | 106,980 | 104,664 | | |
| | 7/04/2017 | 811,799 | 100,026 | 288,041 | | |
| | 7/07/2017 | 944,798 | 124,575 | 129,718 | | |
| | 7/11/2017 | 1,008,524 | 116,928 | 122,811 | | |
| | 7/14/2017 | 1,025,026 | 121,925 | 200,181 | | |
| | 7/18/2017 | 1,094,082 | 131,285 | 215,435 | | |
| | 7/21/2017 | 1,155,091 | 1,144,769 | 396,500 | | |
| | 7/25/2017 | 1,152,734 | 134,771 | 134,671 | | |
| | 7/28/2017 | 1,290,938 | 156,789 | 154,299 | | |
| | 8/01/2017 | 1,458,083 | 181,493 | 524,634 | | |
| | 8/04/2017 | 1,714,045 | 195,972 | 291,966 | | |
| | 8/08/2017 | 2,122,559 | 267,947 | 412,780 | | |
| IL | 8/11/2017 | 2,980,164 | 1,336,839 | 518,730 | | |
| * Totals * | | 33,485,097 | 8,079,656 | 7,101,735 | | |

VIRGINIA LOTTERY

MEGA MILLIONS
Ohio Draw Activity

From 8/15/2017 To 3/30/2018

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| | Draw Date | Sales | Just The Jackpot | Actual Fixed Prizes | Share of Fixed Prizes | Annuitized JP Amount | Cash Options Amount |
|-------|------------|---------|------------------|---------------------|-----------------------|----------------------|---------------------|
| | 8/15/2017 | 701,180 | 0 | 84,972 | 91,738 | 0 | 0.00 |
| | 8/18/2017 | 727,152 | 0 | 77,431 | 83,868 | 0 | 0.00 |
| | 8/22/2017 | 718,905 | 0 | 90,331 | 92,030 | 0 | 0.00 |
| | 8/25/2017 | 728,564 | 0 | 85,848 | 86,058 | 0 | 0.00 |
| | 8/29/2017 | 597,923 | 0 | 83,798 | 72,653 | 0 | 0.00 |
| | 9/1/2017 | 664,930 | 0 | 73,035 | 78,232 | 0 | 0.00 |
| | 9/5/2017 | 579,580 | 0 | 56,123 | 148,253 | 0 | 0.00 |
| | 9/8/2017 | 669,557 | 0 | 76,559 | 81,138 | 0 | 0.00 |
| | 9/12/2017 | 617,976 | 0 | 76,557 | 69,909 | 0 | 0.00 |
| | 9/15/2017 | 667,093 | 0 | 75,197 | 163,052 | 0 | 0.00 |
| | 9/19/2017 | 656,356 | 0 | 80,114 | 80,776 | 0 | 0.00 |
| NY | 9/22/2017 | 750,584 | 0 | 90,894 | 258,030 | 0 | 0.00 |
| | 9/26/2017 | 526,138 | 0 | 59,660 | 151,611 | 0 | 0.00 |
| | 9/29/2017 | 567,913 | 0 | 66,675 | 68,994 | 0 | 0.00 |
| | 10/3/2017 | 541,095 | 0 | 71,633 | 84,143 | 0 | 0.00 |
| | 10/6/2017 | 578,031 | 0 | 73,700 | 66,594 | 0 | 0.00 |
| | 10/10/2017 | 539,504 | 0 | 63,408 | 62,017 | 0 | 0.00 |
| MI/PB | 10/13/2017 | 601,568 | 0 | 107,797 | 183,737 | 0 | 0.00 |
| | 10/17/2017 | 503,307 | 0 | 56,436 | 56,259 | 0 | 0.00 |
| | 10/20/2017 | 539,847 | 0 | 64,709 | 60,952 | 0 | 0.00 |
| | 10/24/2017 | 505,926 | 0 | 59,275 | 57,711 | 0 | 0.00 |
| | 10/27/2017 | 547,364 | 0 | 63,154 | 152,419 | 0 | 0.00 |
| | 10/31/2017 | 691,088 | 0 | 68,834 | 63,069 | 0 | 0.00 |

EXHIBIT 1

VIRGINIA LOTTERY

MEGA MILLIONS
Ohio Draw Activity

From 8/15/2017 To 3/30/2018

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| | Draw Date | Sales | Just The Jackpot | Actual Fixed Prizes | Share of Fixed Prizes | Annuitized JP Amount | Cash Options Amount |
|----|------------|-----------|------------------|---------------------|-----------------------|----------------------|---------------------|
| | 11/3/2017 | 758,396 | 0 | 63,726 | 67,157 | 0 | 0.00 |
| | 11/7/2017 | 707,550 | 0 | 61,998 | 62,001 | 0 | 0.00 |
| | 11/10/2017 | 754,126 | 0 | 46,936 | 54,953 | 0 | 0.00 |
| | 11/14/2017 | 717,648 | 0 | 54,494 | 230,285 | 0 | 0.00 |
| | 11/17/2017 | 789,770 | 0 | 69,480 | 150,195 | 0 | 0.00 |
| | 11/21/2017 | 788,262 | 0 | 84,234 | 177,902 | 0 | 0.00 |
| | 11/24/2017 | 746,234 | 0 | 48,520 | 50,426 | 0 | 0.00 |
| | 11/28/2017 | 805,002 | 0 | 67,974 | 73,190 | 0 | 0.00 |
| | 12/1/2017 | 888,804 | 0 | 78,552 | 161,658 | 0 | 0.00 |
| | 12/5/2017 | 868,562 | 0 | 58,594 | 62,176 | 0 | 0.00 |
| | 12/8/2017 | 915,690 | 0 | 56,796 | 61,307 | 0 | 0.00 |
| | 12/12/2017 | 910,942 | 0 | 105,048 | 102,503 | 0 | 0.00 |
| | 12/15/2017 | 1,042,572 | 0 | 74,046 | 79,455 | 0 | 0.00 |
| | 12/19/2017 | 1,106,156 | 0 | 85,760 | 87,301 | 0 | 0.00 |
| | 12/22/2017 | 1,379,110 | 0 | 103,642 | 103,360 | 0 | 0.00 |
| | 12/26/2017 | 1,167,836 | 0 | 101,124 | 171,206 | 0 | 0.00 |
| | 12/29/2017 | 2,650,032 | 0 | 264,270 | 266,479 | 0 | 0.00 |
| | 1/2/2018 | 2,797,184 | 0 | 1,200,402 | 290,219 | 0 | 0.00 |
| PB | 1/5/2018 | 5,104,216 | 0 | 430,632 | 622,876 | 0 | 0.00 |
| | 1/9/2018 | 816,970 | 0 | 52,054 | 58,372 | 0 | 0.00 |
| | 1/12/2018 | 773,876 | 0 | 48,660 | 54,988 | 0 | 0.00 |
| | 1/16/2018 | 649,148 | 0 | 46,742 | 51,576 | 0 | 0.00 |
| | 1/19/2018 | 764,816 | 0 | 56,694 | 56,516 | 0 | 0.00 |

EXHIBIT 1

VIRGINIA LOTTERY

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MEGA MILLIONS
Ohio Draw Activity

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From 8/15/2017 To 3/30/2018

| | Draw Date | Sales | Just The Jackpot | Actual Fixed Prizes | Share of Fixed Prizes | Annuitized JP Amount | Cash Options Amount |
|------------|-----------|------------|------------------|---------------------|-----------------------|----------------------|---------------------|
| | 1/23/2018 | 725,130 | 0 | 79,964 | 79,024 | 0 | 0.00 |
| | 1/26/2018 | 794,782 | 0 | 66,392 | 68,499 | 0 | 0.00 |
| | 1/30/2018 | 730,594 | 0 | 47,160 | 49,675 | 0 | 0.00 |
| | 2/2/2018 | 862,094 | 0 | 87,348 | 188,018 | 0 | 0.00 |
| | 2/6/2018 | 808,238 | 0 | 54,954 | 229,459 | 0 | 0.00 |
| | 2/9/2018 | 858,090 | 0 | 65,518 | 236,210 | 0 | 0.00 |
| | 2/13/2018 | 854,868 | 0 | 86,892 | 239,950 | 0 | 0.00 |
| | 2/16/2018 | 929,346 | 0 | 64,372 | 147,842 | 0 | 0.00 |
| | 2/20/2018 | 890,562 | 0 | 87,498 | 87,374 | 0 | 0.00 |
| | 2/23/2018 | 1,046,674 | 0 | 104,006 | 368,103 | 0 | 0.00 |
| | 2/27/2018 | 1,067,486 | 0 | 90,000 | 84,754 | 0 | 0.00 |
| | 3/2/2018 | 1,246,880 | 0 | 102,470 | 283,923 | 0 | 0.00 |
| | 3/6/2018 | 1,297,728 | 0 | 117,350 | 188,184 | 0 | 0.00 |
| | 3/9/2018 | 1,411,974 | 0 | 104,860 | 105,448 | 0 | 0.00 |
| | 3/13/2018 | 1,568,902 | 0 | 110,662 | 203,624 | 0 | 0.00 |
| | 3/16/2018 | 1,812,188 | 0 | 1,162,572 | 333,463 | 0 | 0.00 |
| | 3/20/2018 | 1,807,414 | 0 | 145,650 | 151,536 | 0 | 0.00 |
| | 3/23/2018 | 2,070,628 | 0 | 156,512 | 167,348 | 0 | 0.00 |
| | 3/27/2018 | 2,228,080 | 0 | 201,428 | 350,793 | 0 | 0.00 |
| NJ | 3/30/2018 | 4,679,240 | 0 | 1,362,454 | 461,172 | 0 | 0.00 |
| * Totals * | | 69,815,381 | 0 | 9,264,580 | 9,433,743 | | |

EXHIBIT I

| | Receivable (Payable) | Actual Fixed Prizes | Share of Fixed Prizes | Qtrly/Yrly Settlements Transfers In(Out) | Receivable (Payable) |
|---------------------|-------------------------|------------------------|--------------------------|--|-------------------------|
| California | | | | | |
| Georgia | 443,263- | 7,281,196 | 7,396,217 | 1,201,832- | 643,548 |
| Illinois | 481,916- | 5,870,901 | 6,750,101 | 1,245,918- | 115,198- |
| Massachusetts | 713,355 | 3,912,041 | 5,012,457 | 623,327 | 1,010,388- |
| Maryland | 308,911- | 3,111,949 | 5,384,319 | 1,560,899- | 1,020,382- |
| Michigan | 539,393- | 8,133,590 | 8,992,079 | 2,579,687- | 1,181,805 |
| New Jersey | 1,344,533 | 12,628,451 | 11,351,153 | 3,921,181 | 1,299,350- |
| New York | 229,879- | 21,101,804 | 21,003,745 | 18,885 | 150,705- |
| Ohio | 553,017 | 8,079,656 | 7,101,735 | 907,385 | 623,553 |
| POWER BALL | | | | | |
| Texas | | | | | |
| Virginia | 386,356- | 8,712,018 | 6,510,631 | 1,040,526 | 774,505 |
| Washington State | 221,187- | 3,874,470 | 3,203,639 | 77,032 | 372,612 |
| ** Totals ** | | 82,706,076 | 82,706,076 | | |

VIRGINIA LOTTERY

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MEGA MILLIONS Fixed Prize Analysis

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From 08/15/2017 To 03/30/2018

| | Receivable (Payable) | Actual Fixed Prizes | Share of Fixed Prizes | Qtrly/Yrly Settlements Transfers In(Out) | Receivable (Payable) |
|------------------|-------------------------|------------------------|--------------------------|--|-------------------------|
| Georgia | 643,548 | 8,143,273 | 10,519,086 | (1,132,652) | (599,613) |
| Illinois | (115,198) | 13,044,849 | 10,470,948 | 2,112,257 | 346,446 |
| Massachusetts | (1,010,388) | 7,012,109 | 7,383,166 | (799,690) | (581,755) |
| Maryland | (1,020,382) | 4,950,839 | 7,185,614 | (2,858,021) | (397,136) |
| Michigan | 1,181,805 | 12,906,037 | 11,693,526 | 3,134,608 | (740,292) |
| New Jersey | (1,299,350) | 14,910,774 | 14,597,605 | (1,024,319) | 38,138 |
| New York | (150,705) | 28,211,749 | 26,896,129 | (168,566) | 1,333,481 |
| Ohio | 623,553 | 9,264,580 | 9,433,743 | (945,530) | 1,399,920 |
| Texas | | | | 0 | |
| Virginia | 774,505 | 9,064,413 | 8,798,459 | 1,566,282 | (525,823) |
| Washington State | 372,612 | 3,900,556 | 4,430,903 | 115,631 | (273,366) |
| Totals | | 111,409,179 | 111,409,179 | | |

EXHIBIT II



Dave Yost • Auditor of State

OHIO LOTTERY COMMISSION – MEGA MILLIONS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 20, 2018